

Chad Asks UN Talks On Libyan Raids; U.S. to Send Arms

Compiled by Our Staff From Dispatches

NDJAMENA, Chad — The government of Chad Tuesday night requested an urgent meeting of the United Nations Security Council to take up what it called "Libya's intensified aggression" on the side of rebels in the civil war.

A Foreign Ministry statement said the northern oasis of Faya-Largeau has been submitted to "massive daily bombings from Libyan MiG-21 and Tupolev aircraft" since government troops recaptured it last Saturday.

Washington, it was announced Monday, that the United States would send anti-aircraft missiles to Chad after reports of three days of Libyan air attacks on unprotected troops and civilians, a move underscoring the growing concern in Washington and Paris about the extent of Libyan support for anti-government insurgents.

Chad's foreign minister, Idriss Missine, said the Libyan pilots were taking advantage of the knowledge that "we lack anti-aircraft defenses."

Senior U.S. officials told The Washington Post and Agence France-Presse that the United States would dispatch an unspecified number of heat-seeking Red-eye missiles for use by the Chadian Army fighting in the north. The Red-eye is a portable, shoulder-fired missile that seeks out low-flying aircraft.

Chad has nothing in terms of anti-aircraft defense and government troops are being pounded on a continual basis by the Libyans, one U.S. official said Monday.

One seven-hour bombing attack killed many civilians and soldiers Monday night, the Chadian Foreign Ministry statement added.

Earlier Tuesday, President Hissein Habré charged Libya with genocide in bombing Faya-Largeau, saying the number of casualties was "frightening and dramatic."

The official Libyan news agency, JANA, was quoted by The Associated Press as saying that Mr. Habré had been killed in fighting against rebel troops around Faya-Largeau. The report could not be independently confirmed because journalists are not allowed at the front, 500 miles (800 kilometers) north of here, but Chad's informants



Viktor P. Karpov, the chief Soviet negotiator at the Geneva talks on strategic nuclear missile reductions.

U.S. Views Stone's Talk With Rebel as Positive

By Philip Taubman

New York Times Service

WASHINGTON — A meeting Sunday between President Ronald Reagan's special envoy to Central America and a leader of El Salvador's guerrillas was a positive step, administration officials say.

But the officials say it represents only a preliminary step toward negotiations between the Salvadoran government and the rebels.

The envoy, Richard B. Stone, met Sunday in Bogotá with Rubén Zamora, a director of the Revolutionary Democratic Front, one of five leftist political groups representing the Salvadoran guerrillas. It was the first meeting between Mr. Stone and a guerrilla leader since Mr. Stone began his diplomatic mission in June.

Administration officials said

that Mr. Stone and Mr. Zamora had agreed to schedule additional meetings between U.S. and guerrilla representatives to discuss the circumstances under which the rebels

President Reagan's moves in Central America are making European allies uneasy. Page 6.

would talk to the Salvadoran government.

U.S. officials, reiterating U.S. policy, said Monday that any discussions between the government and the guerrillas would not involve power sharing and would be limited to the issue of voter participation in elections.

After meeting Monday with President Belisario Porras of Colombia, who helped arrange Sunday's meeting, Mr. Stone flew to

El Salvador on Sunday after his meeting with Mr. Zamora to brief Salvadoran leaders on the talks. He returned to Colombia late in the day.

A senior Salvadoran diplomat in Washington said Monday that the provisional president of El Salvador, Alvaro Magaña, was "encouraged" by Mr. Stone's report.

Like U.S. officials, however, he cautioned that Sunday's meeting was the first step in a process of trying to end El Salvador's three-year civil war. "It's just the first of a 15-round fight," the diplomat said.

Sunday's meeting, as the first between Mr. Stone and a guerrilla leader, was a significant symbolic step in the process, administration officials said.

But the officials added that

U.S. Assailed by Soviet As START Talks Recess

New York Times Service

GENEVA — The United States and the Soviet Union recessed the Strategic Arms Reduction Talks for two months Tuesday, and the Soviet negotiator, Viktor P. Karpov, complained that Washington was "marking time."

Mr. Karpov, on his arrival at the U.S. delegation headquarters for the final meeting of the eight-week fourth round of the talks, was asked whether any progress had been made. He replied with a blunt "no."

Washington's position was not one of seeking agreement, but of "marking time only," he said.

Apparently irked by Mr. Karpov's comments, Edward L. Rowley, the American negotiator, authorized a statement that "we take these talks very seriously" and that he intended to continue to abide "scrupulously by the agreement to minimize the confidentiality of these negotiations."

Both the negotiators seeking curbs on nuclear intercontinental ballistic missiles and those at the now recessed parallel talks here on intermediate-range arms have left to their capitals all official and unofficial comment.

The strategic missile talks, which began 13 months ago, are to be resumed Oct. 5 with the usual private meeting of the two

chief negotiators. The fifth round will get into full swing the next day with a plenary meeting of the two delegations, according to an official announcement issued after Tuesday's session.

Mr. Karpov gave no hint Tuesday of any results of the "flexibility" that Washington said Mr. Rowley had gained as a result of new instructions given him for the last round.

President Ronald Reagan, acting in accordance with recommendations from the commission he had appointed to evaluate the nation's needs in strategic forces, had rejected his original proposal that each side be limited to 850 ballistic missiles.

That enabled the United States to move closer to the reported Soviet proposed limit of about 1,450 missiles for each side. But President Reagan stood firm on his original proposal calling for a one-third cut in total nuclear warheads, or to about 5,000 on each side.

The commission endorsed the deployment of a limited number of the 10-warhead MX missile sought by the administration, but recommended that the two superpowers move to a smaller, more mobile missile carrying only one nuclear charge.

The Soviet Union has de- (Continued on Page 2, Col. 5)

Central Banks Intervene to Halt Rise of Dollar

By Bob Hagerty

International Herald Tribune

LONDON — Concereted selling of dollars by central banks knocked the currency down sharply Tuesday from the peak levels reached in recent days.

Foreign-exchange dealers said that the move calmed a highly nervous market but that the effect was likely to be fleeting because the market still expected higher U.S. interest rates.

An economist at a major West German bank, however, said it was coordinated. At least for the next few days, traders were likely to think twice about speculating heavily on a sharp rise in the dollar.

Whether intervention is worthwhile in the longer term is a matter of debate. "It's just throwing money down the drain half the time," said Mr. Fulton, who noted that traders sometimes see intervention as a challenge and step up their speculation.

The intervention, disclosed by the U.S. Treasury, involved central banks from the United States, Japan, West Germany, France and Switzerland and occurred over the past three trading days.

In London, the dollar closed at 2.6 Deutsche marks, down from the nine-year high of 2.6810 set in New York Monday. The dollar also fell to 242.8255 yen, 8,0045 French francs and 2,1405 Swiss francs. The Pound rose to \$1.5075.

In New York, the dollar ended the day at 2.659 DM and 242.90 yen.

Intervention by the United States has been rare since President Ronald Reagan took office in 1981, although Washington intervened heavily in the late 1970s when the dollar was weak.

In recent months, the United States has appeared slightly more receptive to European calls for action to slow the dollar's ascent. Treasury officials from the United States and other Western industrial powers released a report in April saying that intervention could help smooth exchange-rate swings in the short term.

At the economic summit meeting in Williamsburg, Virginia, last May, the industrial countries agreed to work together toward greater stability in exchange rates.

In an interview Tuesday, however, a senior U.S. Treasury official said Washington has not changed its policy of intervening only when markets are "disorderly."

"I would imagine this is a token" to placate European critics, said Mark Fulton, a currency economist at the London brokerage of James Capel & Co.

Analysis said the intervention had a bigger psychological effect (Continued on Page 2, Col. 1)

Soviet Arms Shipments to Nicaragua Are Said to Have Doubled

By Richard Halloran

New York Times Service

WASHINGTON — The Soviet Union has delivered twice as much military equipment to Nicaragua so far this year as it did in all of 1982, according to Defense Department officials.

The officials also said Monday that the number of Soviet Cuban and East German advisers in Nicaragua had increased recently.

At the same time, State Department officials said that the flow of arms from Nicaragua to insurgents in El Salvador had slowed but that shipments of ammunition and supplies were continuing.

The Defense Department officials said, however, that most Soviet arms shipments to Nicaragua appeared to be for use by the Nicaraguans. The Nicaraguans have justified their arms buildup because of what they say is a state of war imposed on them by the United States. The United States supports an insurgent movement inside the country by anti-Sandinist guerrillas.

The Soviet freighter Ulyanov, which was noted by President Ronald Reagan in his news conference last week, passed through the Panama Canal from the Caribbean over the weekend and was headed for the port of Corinto on Nicaragua's Pacific coast.

The Ulyanov is the 10th ship from the Soviet Union or its East European allies to go to Nicaragua with military supplies this year, the officials said, compared with five in 1982. In addition, they said, 10 other Soviet cargo ships, mostly from the Soviet Union, had bound for Nicaragua since June.

The Defense Department officials said the Nicaraguan armed forces numbered 135,000, more than half of the 250,000 that the government had announced as a

goal. About 25,000 are regular troops, the officials said, but the 50,000 troops in the reserve force have been seeing more active duty. The rest of the Nicaraguan forces are in militia and police units.

The Pentagon officials said the Soviet Union, which has recently increased the number of its advisers in Managua from 70 to 100, had shown particular interest in improving Nicaragua's small air force by teaching fliers and ground crews.

About 70 Nicaraguan pilots and mechanics completed training in Bulgaria in December, the officials said.

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can carry 40 soldiers and their combat loads up to 500 miles (800 kilometers). The helicopter can carry 28 soldiers about 200 miles.

The Nicaraguans have been enlarging several airfields, including what appears to be a main air base at Punta Huete, near Managua, to enable them to accept advanced aircraft, the officials said. Construction has not been completed.

The officials said Cubans appeared to have taken charge of assistance and training of Nicaraguan ground forces.

Castro Ready to Talk to U.S., McGovern Says

Los Angeles Times Service

WASHINGTON — Former Senator George S. McGovern, who met with Fidel Castro during a recent four-day visit to Cuba, says the Cuban leader expressed a "new sense of urgency" and a "new willingness" to open talks with the United States on Central American issues.

"Castro said he does not want a bloody war that could spill over into Cuba," the South Dakota Democrat said at a news conference.

"He stressed one point above all

others — his strong desire to get together with the United States on negotiations on anything we'd like to talk about, especially on Central America," Mr. McGovern said Monday.

Mr. Castro's new willingness to talk is a response "to the urging of his friends rather than the pressure of his enemies," said Mr. McGovern, who was the Democratic presidential candidate in 1972.

Mr. McGovern said that he had no way of evaluating Mr. Castro's motives or testing his sincerity, "but I think we ought to seize on this initiative."

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In examining the nature and achievements of Japanese education and to assess what aspects of the Japanese system might be applicable to the United States, a reporter spent four weeks in Japan, visiting schools and colleges and talking with students, teachers, principals, parents and others.

There is no doubt that the Japanese, who spend a somewhat larger proportion of their national income on schools than do Americans, have built up their educational system in a manner comparable to the heralded "economic miracle" that led to a doubling of national income in the 1960s and propelled their country into the ranks of the world's leading industrial nations.

It is partly because Americans see themselves slipping behind Japan in economic competition that they

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School System in Japan Promotes Rapid Learning

Some American Educators Look to East for Model, but Others Find Weaknesses

By Edward B. Fiske

New York Times Service

TOKYO — The education system in Japan is strong and weaknesses, is virtually everything that its counterpart in the United States is not.

At a time when Americans are increasingly concerned about the effectiveness of their public

JAPANESE EDUCATION

First of four articles

schools, the Japanese can point to a nationally organized school system characterized by rigorous discipline, a focus on basic academic subjects and well-paid teachers who enjoy high social status.

As Americans question the competence of their high school graduates, nine out of 10 Japanese teenagers leave high school with a diploma that assures employers that they possess fundamental reading and calculating skills.

"The profoundly impressive fact," said Thomas P. Rohlen, a

research associate at Stanford University who has recently completed a study of Japanese high schools, is that Japan "is shaping a whole population of workers as well as managers, to a standard inconceivable in the United States."

Such achievements, however, are obtained at a cost. Violence among students who cannot meet the high standards is a growing problem.

The quality of universities is far below that in the United States. And Japanese schools emphasize rote learning and multiple-choice examinations at the expense of critical thinking and writing.

"In Japan the average amount of learning is higher, but the range of knowledge is more narrow," said Mitsuhiro Jimakure, principal of the Kuramata Industrial High School in Tokyo, who has visited schools in the United States. "There is a vitality in the American system that in my opinion makes it superior."

The accomplishments of the Japanese education system have become a source of considerable interest in the United States as the

president opposes.

In the course of this debate, many critics have pointed to the Japanese educational system as a model of effectiveness and urged U.S. educators to borrow some of its methods.

Last month, for example, the Task Force on Education for Economic Growth, a national group of 41 governors, corporate leaders

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Moslems Feel Let Down By Gemayel's Regime

Favoritism Toward Christian Lebanese May Bring New Civil Strife, Some Feel

By J. Michael Kennedy
Los Angeles Times Service

BEIRUT — The Middle East Airlines jumbo jet dipped out of the night sky on its final approach to Beirut International Airport. On board was President Amin Gemayel, sneaking back into his country.

When he left Paris several hours earlier, Mr. Gemayel had ordered that no flight plan be filed; he did not want to tip off his arrival time to the Syrians and the Druze.

NEWS ANALYSIS

political enemies, whose artillery can reach the airport runways.

In this troubled country, Mr. Gemayel was perhaps wise to take such precautions. Lebanon was a shambles when he took up the reins of power last September. But if anything, the problems he faced on his return last week from Washington and Paris were even more acute. And one of his biggest problems is the perception that he is ignoring Lebanon's Moslem majority and stacking the deck of government in favor of Christians, particularly members of the Phalange Party, founded by his father.

In the heady days last fall when he first visited Washington, there seemed to be a chance for peace. Mr. Gemayel had taken to the radio as his plane neared Beirut and delivered a stirring speech to his embattled nation. He talked of hope, of the need for national unity.

Stone's Talk Seen as Step

(Continued from Page 1) many procedural issues remained to be resolved before any meeting between the guerrillas and the government could occur.

The Salvadoran government has said that the appropriate group to hold discussions with the rebels was the Peace Commission, a group appointed by San Salvador earlier this year to look for ways to resolve the civil war through nonmilitary means.

The head of the commission, Francisco Quinones, said Monday that the government was "excited" by Mr. Stone's meeting with Mr. Zamora, and predicted that the commission would meet with the rebels soon. "We've sent a message and we're waiting for an answer," Mr. Quinones said. He added that the message was not sent through Mr. Stone.

Both U.S. and Salvadoran officials said Mr. Stone would probably not play a direct role in any negotiations between the government and rebels. The State Department spokesman, John Hughes, reiterated Monday that Mr. Reagan's mandate to Mr. Stone was to facilitate discussions between the government and guerrillas but not to act as a mediator.

Administration officials said that future meetings between Mr. Stone and guerrilla leaders would focus on the issue of how to arrange direct talks between the rebels and the government.

"Working out arrangements for talks is difficult, and that's basically a procedural issue," an administration official said. He added, "Getting the two sides into the same room doesn't guarantee that they will agree on anything."

Salvadoran leaders have said recently that presidential elections, originally scheduled for March 1984 but then moved up to the end of this year at the request of the United States, would probably slip back in 1984 because of delays in approving a constitution and registering voters.

Guerrilla leaders in the past have refused to talk about participating in the elections, asserting that the government could not guarantee either the integrity of the electoral process or the physical safety of rebel candidates.

■ **Stone Calls Talk Useful**

Mr. Stone called his 11-day Latin American tour "quite useful," but he refused to discuss the meeting with Mr. Zamora. The Associated Press reported from Washington.

Mr. Stone would not say whether there would be further talks with Nicaragua, telling reporters at Andrews Air Force Base outside Washington, "We have to preserve the confidentiality" of the ongoing process.

He seemed to be the man who could somehow remove foreign troops from Lebanon and put an end to the brutal sectarian feuds. But the foreign troops are still here, Israelis to the south and Syrians to the north and east, and Mr. Gemayel seems powerless to bring about their departure.

The president alone could not have prevented the deterioration of events here, but he must bear some of the blame, along with his allies. While hope for national unity filled the air last fall, Mr. Gemayel's most pressing problem now is the religious division that has been historically the plague of Lebanese politics.

The Moslem majority is becoming increasingly angered by what its political leaders call poor treatment by Mr. Gemayel's government. They complain that the Phalangists are getting more than their share of the choice government appointments, both in Beirut and in the diplomatic corps.

"He is actually a Phalange president," said former President Suleiman Franjeh, who, like Mr. Gemayel, is a Christian. "He has always been under Phalange pressure."

Mr. Franjeh, along with the Druze leader Walid Jumblat and former Prime Minister Rashid Karame, a Moslem recently founded the National Salvation Front to present a political opposition to Mr. Gemayel's policies.

For a quarter of a century, until the 1975-76 civil war, Lebanon was ruled through a delicate balance of religion and politics. The president was always a Christian, the prime minister a Sunni Moslem, the speaker of the parliament a Shiite Moslem. That formula is still intact after eight years of war, when national government was practically nonexistent, but more and more, the Moslems say, Mr. Gemayel and his government are failing to account for Moslem needs.

The people of Beirut are afraid of what might happen next. Levan Berberian, who runs a travel agency, said the other day that his business was 25 percent above what it had been at this time of year in 1981, when Beirut was in a state of anarchy.

"The people here are buying 30- and 60-day tickets," he said. "They want to have a ticket in their hands if there is serious trouble."

Early every day, hundreds of people line up at the U.S. Consulate to apply for a visa that will get them into the United States. Like the ticket-buyers, they have no immediate travel plans, but like the people here are buying 30- and 60-day tickets," he said. "They want to have a ticket in their hands if there is serious trouble."

"I feel more afraid now than I ever did in the old days," a prominent Lebanese doctor said. "Now it is the government that is treating the people badly."

Support for this point of view can be seen in the difference between East Beirut, where the Christians live, and West Beirut, which is predominantly Moslem.

The army is out in force in West Beirut, and there are dozens of checkpoints. Automobile searches are common. But in East Beirut, there is only a token army presence, and the Phalangists, who put away their guns and uniforms after the war, are back on the streets in full military regalia.

Diplomats and other analysts say that since Mr. Gemayel took office his government has committed a series of blunders that have served to alienate the Moslem community. These began with a decision to demolish squatter homes near the airport, most of them occupied by Shiite Moslems. The Shiites are the poorest and most populous sect in Lebanon, accounting for roughly half the population.

The government said that the squatters were in the landing pattern and thus a potential hazard.

But the government made no provision for relocating the squatters. After intense pressure from the Shiite leaders, and from the Italians of the multinational peace-keeping force, the demolition was stopped.

Over the past year the army has made it a practice to conduct sweeping searches and arrests in the poorer sections of Beirut, sections occupied for the most part by Shiites and Palestinians.

"What happened to the people in the southern suburbs is one of the reasons the Druze do not want the army," in the Chouf Mountains east of Beirut, a longtime Middle East expert said. The Chouf has been the site of violent conflict between Christian and Druze militias for the past month.

Mr. Stone would not say whether there would be further talks with Nicaragua, telling reporters at Andrews Air Force Base outside Washington, "We have to preserve the confidentiality" of the ongoing process.



President Amin Gemayel waved to crowds during a celebration in Beirut marking Lebanon's armed forces day.

Exchanges of Fire Erupt Among Units in Lebanon

By Thomas L. Friedman
New York Times Service

BEIRUT — Six different armies clashed with one another inside Lebanon Tuesday, underlining the country's steadily deteriorating security situation.

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For the first time, however, the intra-Palestinian conflict engulfed the Lebanese Army as well. The state-run Beirut radio said the rebel Palestinian forces led by Colonel Sayed Mussa fired on a Lebanese Army camp near the town of Baabda and the Lebanese returned the fire.

The rebels then tried to advance on the Lebanese Army's Sheik Abdallah barracks outside Baabda, which prompted the army to open fire on them with heavy artillery.

After a one-hour exchange of fire, the Syrian troops in nominal control of the area intervened and arranged a cease-fire, the radio said, but not before two persons were killed and eight were wounded.

Finally, in southern Lebanon, Israeli troops raided a Phalangist military barracks in an attempt to evict the Christian militiamen from the area around Sidon, where they were allegedly causing problems with local Moslems.

The Israeli raid on the two-story Phalangist outpost at Kfar Fakus, five miles east of Sidon, marked the second attempt in five days by the Israeli Army to expel the Christian Phalangists from certain of their positions in the south. Once again, however, hundreds of Christian villagers responded to the Israeli move by surrounding the Phalangist barracks, engaged in isolated skirmishes with Israeli troops and generally making it impossible for them to evict the roughly 100 militiamen at the base.

By nightfall, an Israeli military spokesman outside Beirut declared that Israel's forces were "in control" of the Kfar Fakus base. He added, however, that some Phalangist militiamen and local Christian villagers were still inside the building but would be "leaving soon."

But a Phalangist militia spokesman, Fadi Hayek, said that all the men were still in the building, that they had no intention of leaving and that negotiations were under way to resolve the dispute peacefully.

Farther north, in the central Bekaa Valley, heavy artillery and

chime-gum battles erupted for the 11 straight day between Palestinian guerrillas loyal to Yasser Arafat and anti-Arafat rebels.

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The Israeli spokesman said the decision to move against the barracks had been made after the Phalangists refused to heed an Arafat warning last Wednesday to evacuate the position because the militiamen based there had been involved in unspecified "irregular actions" that had not been coordinated with the Israeli regional command.

"Smaller statements are heard in London also," the newspaper said. "But it is specifically in the newspaper that arguments, the untenability of which is recognized by sober-minded political figures and commentators both in France and in other NATO countries, that had not been put forth with particular insistence."

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The French government, backed by the United States, says its nuclear missiles may not be counted in the North Atlantic Treaty Organization's ground-based arsenal because they are outside NATO command and are intended only to protect France from a nuclear attack.

Sri Lanka's Economy Is Seriously Damaged By Strife, Analysts Say

By William Claeboe
Washington Post Service

COLOMBO, Sri Lanka — The ethnic violence of the past week has seriously damaged the economy of Sri Lanka, economic analysts say.

Property damage resulting from the conflict between the Sinhalese majority and the Tamil minority, including a wave of arson and looting, is expected to run as high as \$300 million.

Moreover, economists say prospects for increased foreign investment, which President Junius R. Jayewardene had counted on to improve an ailing free-market economy, have diminished as a result of the violence.

Another problem is the fact that 35 percent of the workers in Colombo are Tamil. Because of the recent attacks, many Tamils are planning to move to the predominantly Tamil northern provinces. This would mean more foreign companies would have to find a new work force.

"Foreign firms may not have been directly damaged, but in terms of what people think about the stability of the country, there has been damage," said a Western economic analyst who deals directly with foreign investment. "If you think your labor force is going to be threatened, you may think twice about investing here."

"We have had racial conflicts before," Mr. Liyanage said, "and they have not gone that far."

In greater Colombo alone, the Tamils, who represent 9 percent of the area's population of 1.6 million, own a third of the business establishments.

However, half the 4,100 Tamil-owned businesses have been destroyed by fire, and nearly a quarter of the 14,400 Tamils living in the Colombo area have been left homeless.

Across Sri Lanka, more than half the wholesale and retail trade is controlled by the Tamil minority of 3.5 million. Of the island's total population of 15 million, 73 percent are Sinhalese.

S.S. Jaywickrama, secretary of the Ceylon Chamber of Commerce, said the Sinhalese business community would be affected as well because many Tamil traders would be unable to pay their bills.

Other Sri Lankan analysts predicted that inflation, unofficially at a rate of 20 percent, and unemployment, now at 14 percent, would increase. They also said they expected the foreign exchange rate to worsen, possibly resulting in depreciation of the rupee of up to 25 percent against the dollar.

Over the long term, foreign investment will be damaged most, economists said.

Since 1977, Sri Lanka has aggressively encouraged foreign investment, particularly in exportable, labor-intensive projects. The aim was to generate foreign exchange and reduce unemployment.

Mr. Jayewardene, who six years ago rewrote the constitution and elevated himself from prime minister to an executive president, transformed the existing socialist economy into a capitalist economy based largely on the model of Singapore.

The minister for lands, Gamini Dissanayake, announced on television Sunday that 150,000 jobs had been lost since the violence began. During that time 17 major manufacturing plants were destroyed. These figures contrast with a recent government announcement that 24,000 jobs had been created.

As recently as June, the commercial section of the U.S. Embassy in Colombo had issued an economic trends report on Sri Lanka. The report said there was "reasonably good" prospect for 5 percent to 6 percent growth in the gross national product. The report also said that the stage had been set "for a period of political stability and economic consolidation through at least the end of this decade."

The basis for the optimistic report was Mr. Jayewardene's election to a six-year term in October. In elections in May, he retained a five-sixth majority in the Parliament for six years, and in a national referendum last December, the life of his Parliament was extended.

Western economic analysts and banking sources estimate that about a third of all investment in Sri Lanka's industry, commerce and banking and finance services is foreign. No wholly owned foreign

subsidiaries were established in the country. The Sri Lankan government has been officially warned because they printed stories that were not submitted for government review. He did not specify the articles.

Mr. Liyanage also said that two local English-language newspapers, the Sun and the Island, had been officially warned because they printed stories that were not submitted for government review. He did not specify the articles.

Both black males were members of a safe-breaking gang and had been previously convicted. They have both been positively identified and have been positively connected to the ANC," General Steenkamp said. The ANC has claimed responsibility for the attack. The Johannesburg Times reported Tuesday that the police had arrested several persons, including whites, in connection with the bombing.

Judge Basil Kelly said that Mr. Black was a dangerous and ruthless terrorist, but that without Mr. Black's testimony the prosecution would have had no case against many of the accused.

Delay Alleged In Arms Talks

(Continued from Page 1)

noticed the MX program as an intensification of the arms race. Mr. Karlov told reporters Tuesday that the MX would not serve as a bargaining lever at the arms talks.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Not Yet a Noble Cause

So great are the powers of a perfidious president that Ronald Reagan may yet wangle from Congress the legal fig leaf he needs to continue his out-so-secret war against Nicaragua. Distaste for that adventure is as much visceral as reasoned. It deeply affronts the American sense of fair play for a big country to promote the subversion of a tiny neighbor.

Still, even those who oppose the covert war do not take issue with its avowed original aim: to keep the Nicaragua revolution at home. It was dissent over the means that impelled the House to vote to call off the CIA war.

But that verdict deserves to prevail also because of the evidence that Mr. Reagan's aims are much broader than first advertised—making his ends as excessive as his means.

The president insists that all be asks of Central Americans is a decent respect for sovereign frontiers and a regional commitment to democracy and human rights. The first purpose is surely legitimate. And the second is desirable. But Mr. Reagan's recent words leave the clear impression that the desirable is essential, that he will not call off the war until Nicaragua is a North American democracy.

Managua's Marxists must not only refrain from exporting revolutionary arms to El Salvador but, he says, keep their democratic promises. After all, they made a "contract" with the Organization of American States, before seizing power, in which they pledged to promote freedom of the press and the other freedoms "that we enjoy here in this country."

Mr. Reagan sounded the same theme, even more sweepingly, in his letter to the Contadora mediators—Mexico, Venezuela, Panama and Colombia. His first requirement for negotiations was "that democratic institutions be established and strengthened as a means to resolve political differences within the Central American states."

This is a most tardy devotion to democracy in Central America. It is also strange coming from an administration that readily makes its peace with coagulant rightist dictators in the Western hemisphere and elsewhere. As a demand to be pressed by a naval armada and

CIA saboteurs, it is at best condescending, at worst arrogant. It collides with a long and troubled history that Americans impatiently ignore, true to our colleague James Reston's observation that we will do anything for Latin America but read about it.

No one has better summarized Latin America's colonial legacy than Simon Bolívar, the Liberator, born two centuries ago: "We find that America was denied not only its freedom but even an active and effective tyranny. We have been harassed by a conduct that has not only deprived us of our rights but has kept us in a sort of permanent infancy with regard to public affairs."

When independence came, the new Latin republics looked north for constitutional forms, but it was Jean-Jacques Rousseau and the French Revolution that supplied their header doctrines of unlimited majority rule. Bolívar lived to see turbulence and despotism infect the nations he helped found, prompting this lament: "There is no good faith in America, nor among the nations of America. Treaties are scraps of paper; constitutions, printed matter; elections, battles; freedom, anarchy, and life, a torment."

Yet as if this past were irrelevant, Mr. Reagan invokes the sanctity of contract and asks revolutionaries still in fatigues to act like proper Republicans and Democrats.

He ignores as well America's responsibility for the despotism against which Nicaragua finally rebelled. Only belatedly did the United States assist and try to guide that rebellion. It still has every right to denounce the Sandinist denial of political rights, and to make genuine pluralism a condition of further economic aid.

But the history of U.S. dealings with the Caribbean nations, and all hope for a better future, require an end to this unilateral and lawless war for "behavior modification." It would be damaging even if successful, and only impeaches the president's interest in demanding respect for international frontiers.

Attainable ends need to march with worthy means before this can be called a noble cause.

—THE NEW YORK TIMES.

A Look at the Record

The attorney general, William French Smith, complained in a speech last week in New York that he was not getting a fair break from the press in its coverage of the Reagan administration's enforcement of civil rights laws. The Justice Department is enforcing these laws "as vigorously as any administration ever has," said Mr. Smith, and he filled the speech with statistics to make his case.

Most civil rights groups that have criticized the Justice Department are less concerned with data on new suits than with what they see as a lack of commitment, a reversal of earlier gains and the administration's decision to oppose busing and hiring quotas. They also choose to define the issue in broader terms than the attorney general might, putting such issues as budget cuts, legal services and tuition tax credits into the civil rights category. This aside, the numbers used by the attorney general are worth examining.

He is proud of the fact that the Reagan administration has authorized the filing of three new school desegregation suits—only one of which has actually been filed—during the 30 months it has been in office. This, he says, is one more than the Carter administration undertook during a comparable period. The last Democratic Justice Department did initiate nine school suits in four years, but four of these were filed within weeks of the time it left office. The attorney general did not discuss the fact that his department changed sides or altered earlier government positions in some school cases that had been filed before 1981.

In the area of criminal cases brought against civil rights violators, the administration's record is good. One hundred and nine of these cases have been initiated in 30 months, and four more have been authorized, which is better than any other administration. A comparable figure for the first 30 months of the Carter

administration would be 101. But while statistics on voting rights matters appear good—163 redistricting plans have been rejected and the department has "taken part in" 49 court cases protecting voters' rights—it is really impossible to compare this performance with that of any other administration, for two reasons: 1) any administration in office when the decennial census data are released will have an unusually high number of cases—the Reagan administration had to review 21,000 election law changes—because all political boundaries are redrawn at that time; and 2) in 1975 the Voting Rights Act was amended to cover four additional states and parts of six others. Texas alone accounted for many of these cases.

It is true that 20 new public employment cases have been brought since 1981—the exact number brought in a comparable period in the Carter years—but it is the objective of these suits, individual relief and guaranteed access to a pool of applicants rather than guaranteed jobs for minorities, that troubles civil rights groups. And while it is commendable that the Reagan administration has obtained the largest money settlement in history, in a Virginia discrimination case, where is the notation that this suit was brought by the previous administration? As for housing discrimination cases, one can only look at the attorney general's figures and ask, "Compared to what?" Sure, the department initiated six new cases and participated in three more. But previous administrations had averaged 29 new cases brought each year.

Statistics are useful devices, but they must be evaluated carefully and in context. The attorney general has not distorted the figures he cited, but readers should keep in mind the comparisons he did not make and the policy changes that are the real bone of contention.

—THE WASHINGTON POST.

Other Opinion

Balance in Central America

The talks that the U.S. special envoy, Richard Stone, is holding with Salvadoran guerrillas and Sandinist leaders give some grounds for hope that a peaceful solution may be found to the developing crisis in Central America. But for those who believe that political power is to be gained and retained by armed force rather than through the electoral process, willingness to talk may be perceived as weakness—unless it is firmly backed not only by a show of military strength, but also by evidence that

the political will exists to apply it when all other alternatives have failed.

It is not enough to support anti-Marxist forces; the United States must be seen to be backing those who offer an improvement on preceding regimes. The difficult balance that the Reagan administration is trying to maintain between the demonstration of military strength and willingness to negotiate deserves more sympathetic assessment both in the United States and in Western Europe.

—The Times (London).

FROM OUR AUG. 3 PAGES, 75 AND 50 YEARS AGO

1908: A Pipeline Pipe Dream

London—It is within the realm of possibility that within 10 years Europe will be supplied by gas for both illuminating and power purposes sent direct through a pipeline from Oklahoma. Alexander A. Ebersol of St. Louis, Missouri, figures this idea is feasible. "My clients who have immense leases in Oklahoma and who supply the Standard Oil Company with oil, have made up their minds to pipe their gas, if it is at all possible, to Europe," said Mr. Ebersol. He continued: "The gas does not cost anything and we see no reason why it should not pay to lay a pipeline from Oklahoma to New York and then across the Atlantic. It may not be many years before London, Paris and Berlin are illuminated by Oklahoma gas."

1933: World Fair 'Decadence'

Chicago—All is not progress in Chicago's World Fair, according to Mayor Edward J. Kelly, who has declared the undead hip-shaking dances of the "Streets of Paris" decadent. Nothing could have pleased the sideshow people better, following Judge Joseph B. David's less flattering epithets. When Sally Rand, who had been doing a so-called Parisian dance, was brought into his court on a charge of indecency, Judge David said: "She's not innocent. The human form is old stuff. Anybody who pays real money to see a nude dancer is a boob." The publicity she received made other dancers jealous. "What about me?" demanded one performer. "Trying to pass me up as decent, will they? Why, I'm scandalous."

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'Ring' Struggles to a Close

By Donald Horenhan
New York Times Service

AYREUTH, West Germany — It has not been one of the great weeks in Bayreuth history. The combination of nearly unbearable heat and the new "English" production of the "Ring of the Nibelungs," which never seemed to know where it was headed or why, made for long, stifling evenings in the Festspielhaus that Wagner built to house his music dramas.

However, even inferior performances of the "Ring" must end. With the premiere Saturday night of "Götterdämmerung," the new cycle of four works that the Bayreuth Festival mounted to commemorate the 100th anniversary of Wagner's death finally struggled to a close.

The production, which was entrusted to the all-British team of Sir Georg Solti, Sir Peter Hall and William Dudley as conductor, director and designer, respectively, proved to be acceptable musically, if uneven and flawed.

But the director and his designer earned the fiercest, most sustained jeering that I have ever heard in a theater. Even when they joined the entire company on stage for a massed bow, the audience would not allow them to hide. The whole stage full of people was booted until the pair responsible for the staging appeared in tandem to take their medicine.

There was justification for this, but also some irony, because "Götterdämmerung" actually turned out to be the most satisfactory — or anyway the least muddled — work of the cycle. From beginning to end, it hewed to an old-fashioned pietorialism in its sets and a faithful if not quite literal approach to the libretto.

The Notes played at weaving that strands of rope. The Rhinemaidens splashed in a shallow wading pool of genuine water. Real fire licked at Siegfried's funeral pyre, and Brünnhilde rode into the flames on what appeared to be a very large hobbyhorse.

The whole production, however, has been in trouble from the start. The opening night's "Der Rhein gold" seemed unfocused and incoherent. "Die Walküre" took stylistic confusion yet another step, and "Siegfried" came and went without the appearance of any vital connecting thread. It is as if Hall, as director, having decided against imita-

ting all recent interpretations of the "Ring," found himself with an empty bucket.

The first act of "Die Walküre" continued, like the "Rheingold," along traditional paths. But then came Act II, and the production lunged crazily forward to the stark Bayreuthian abstractions of the 1950s and '60s. Similarly, for two acts "Siegfried," stayed in what used to be considered standard Wagner opera land, with representational settings. In the last act, however, the production inexplicably leaped to the bare-stage austerity and symbolism that Wieland Wagner knew how to exploit so well and with which he revolutionized opera productions 30 years ago. Hall seems to have no more interesting ideas than to throw together in jarringly juxtaposition styles drawn from a century of Wagnerian history.

Even in the final hours, scenes for "Götterdämmerung" were restaged in an effort to minimize confusion and clarify the staging. The leading tenor, Reiner Goldberg, had an attack of nerves and dropped out, forcing the willing but generally unable Manfred Jung into the role of Siegfried. That problem was never solved, although Jung sang ably enough at rare moments, when his music took a lyrical turn.

Orchestrally, there were many rough moments — the bleary-tuned horns in "Götterdämmerung" must have been suffering

from the heat even more than the audience. And vocally, this is not a vintage period for Wagner, a fact quite evident even in the acoustically flattering surroundings of the 2,000-seat Festspielhaus.

Nevertheless, the conductor, the leading singers and the marvelous Bayreuth chorus were all awarded thunderous ovations after the final curtain.

Hildegarde Behrens was deafeningly cheered for her vocally true and intelligent portrayal of Brünnhilde. Behrens, who was making her debut here in this "Ring," emerged as the new darling of Bayreuth. She may not have the endless column of dramatic-soprano sound that has been the hallmark of great Brünnhildes of the past, but in this house, at least, she is all but perfect.

Elsewhere, the brightest spots in the cast were Agnes Haugland's mountainous and brutal Hagen, Hermann Bech's nasty Alberich, and Brigitte Fassbender's full-voiced Waltraute. Bent Norup, as the ineffectual Gunther, was properly pale and characterless.

If some of the performances seemed enervated, there were plenty of excuses. It has been a broiler of a summer; temperatures stayed in the 90s Fahrenheit (30s centigrade) throughout much of the week, and, according to a local newspaper report, went as high as 104 inside the Festspielhaus because the idea of air conditioning has not been allowed to penetrate the sacred precinct.



Paul Stewart at Black American West Museum in Denver.

Denver Museum Preserves Records of Black Pioneers in West

By William E. Schmidt
New York Times Service

DENVER — When Paul Stewart was growing up in Clinton, Iowa, he liked to play cowboys and Indians with his friends, even though they always made him part of the Indian.

"They'd say to me, 'Paul, there ain't no such thing as a black cowboy,'" he recalled recently. "And I figured they must be right. I never could find a picture of one in any of the books at the library."

But that never satisfied him. Now 57, Stewart has spent much of his life tracking down tales of the West's early black pioneers, a rich heritage that includes lawmen, stagecoach drivers, saloon keepers, miners, editors, farmers and, most important, lots of cowboys.

Most of what he has found, including about 800 tape-recorded interviews he has conducted over the years with black pio-

neers, is now in what Stewart calls the Black American West Museum, two cramped rooms in the basement of a city-owned building on Denver's east side.

"Even now I don't think most black kids, or white kids either, have any conception of the black role in settling the West," said Stewart, a self-taught curator who is a barber by background and runs works evenings as a guard for a Denver-based airline. "In the West and in the books, the cowboys are all white. That's why what we are doing here is so important."

Irving Watts, a young artist from Boston who came West to work with Stewart, agreed. "The first time I saw a black cowboy was when Sammy Davis Jr. played a part on a television series," said Watts. "I thought it was a joke. Who'd ever heard of a black cowboy?"

Stewart has maintained the museum, in one place or another, for 12 years. Over that

period, he said, it has received limited assistance from federal and state arts and historical groups. In addition, the International Business Machines Corp. and the Rockwell International Corp. have given grants.

But the museum's survival depends for the most part on the work of Stewart and about 150 volunteers who help catalog old newspaper clippings, more than 15,000 photographs and some of the 6,000 other items collected over the years from black Western families.

It is not easy work. The museum has no money for microfilming or restoration work. The building in which it is situated lacks any real security system, and there is no temperature or humidity control to help preserve the artifacts.

Cardboard boxes full of material are scattered around the basement museum, mostly stacked beneath the folding tables where everything from old radios and washboards to a Pony Express mail pouch is on display.

There are the forceps and medicine bag that Stewart said belonged to Daisy Jones, the first black nurse on the Colorado frontier. There are the canteen and trunk of Til Ashford, a black saloonkeeper from Cheyenne, Wyoming, who, according to an interview Stewart did with the man's widow, was shot down while trying to evict an unruly patron. There is a photograph of Bill Pickett, a turn-of-the-century rodeo bulldogger, wrestling a bull to the ground with his bare hands.

Stewart said he began collecting Western artifacts while running a barber shop in Denver. "I used to keep a tape recorder by the chair," he said, "and when I'd find some old fellow who'd driven cattle or worked out here in the old days, I'd turn it on and let him talk."

For the \$1 price of admission for adults, most visitors are likely to get a personal tour by Stewart.

To the rest of a starry cast (Alfred Marks, Peter Wyngarde, Gerald Flood) give performances that suggest they are in summer stock.

Erosion Is Eating Away At Nepal's Fabled Hills

By William Claiborne
Washington Post Service

KATMANDU, Nepal — The foothills of the awesome Himalayas are slowly being washed away in a process that could ultimately transform this beautiful land into a mountainous desert.

unchecked destruction of forests and the resultant soil erosion have already denuded vast areas of the mountain kingdom of Nepal, causing irreversible ecological damage.

Twenty years ago nearly 60 percent of Nepal's land mass was blanketed by thick forests. But that figure has dwindled to 19 percent, according to estimates made by the State Planning Commission, and it continues to decline despite recent forestry plans and other efforts to control the felling of trees.

If the degradation is not reversed, Nepalese environmentalists say, the hills that cover more than half the country will be grotesque, sunbaked pyramids by the end of this century, and the wasteland will not be reclaimable.

"Now tourists come here because of Nepal's unspoiled beauty," said Karna Saka, secretary general of the Nepal Nature Society and head of the Nepal Heritage Society. "In 20 years they will be drawn here to see what extraordinary ruin man has done to nature."

Concern over deforestation is not new in Nepal, but now there is a heightened sense of urgency that has prompted environmentalists to propose increasingly drastic remedies to save the mountain forests.

The most controversial of these is a draconian measure advanced by Mr. Saka and other Nepalese ecologists to reforest the rugged mountains of northern Nepal to the fertile lowlands in the Terai region in the south.

Reflecting the new level of alarm in a growing segment of the environmental community, Mr. Saka said, "We have to follow certain doctrinaire policies, and we have to be content with dogmatic adherents. There is no time left for a cautious approach."

Under the resettlement scheme, which is opposed by government environmentalists, all those in the highlands who live on slopes steeper than 30 degrees — about 7 percent of Nepal's population — would be declared to be living on nationalized land and then moved 100 miles (160 kilometers) to the south, where intensive agricultural programs would be offered.

Increasing numbers of mountain dwellers have been migrating to the Terai anyway, Mr. Saka noted, and the scheme would merely institutionalize the phenomenon and make it policy.

The proposal was born out of a worsening of the vicious circle of socioeconomic and ecological

causes and effects that has plagued Nepal for years, Mr. Saka said.

Chief among the problems is wood — the poor man's fuel — which provides 85 percent of the country's heat and cooking energy. With the population at 14 million and growing at 2.4 percent annually and the per capita income at only the equivalent of \$120 a year, the demand for fuel wood is constantly increasing as the supply shrinks.

Moreover, environmentalists say, increasing numbers of mountain dwellers are living as squatters on forested land and cutting trees to grow corn and potatoes on terraced plots that have neither retaining walls nor adequate drainage.

When the monsoon rains come from June to October, the topsoil is washed away and massive landslides occur, uprooting more trees and sometimes laying waste to half a hillside. The mountain dwellers move on to squat elsewhere, and the process is repeated, Mr. Saka said.

Compounding the problem is a constantly growing livestock population in the hills; about 75 percent of the fodder for Nepal's 10 million grazing cattle comes from the forest, according to the environmentalists.

"Mountain people have very little knowledge about ecological balance," he said. "All they know is that they are hungry and need to find food and fuel. So they squat wherever they want."

The Terai region, which once was densely forested, has been largely denuded, and forest officials estimate that in 15 years it will have no commercial forests.

The Nepal Heritage Society estimates that the Terai now has about a million acres of unprotected land that can be used for planting food grains, with a potential capacity of producing 3,400 pounds (about 1,540 kilograms) of rice and 440 pounds of lentils per acre each year.

Under the resettlement scheme, the Himalayan mountain people would be resettled in these areas and given assistance in intensive farming to increase Nepal's annual growth rate in food grain production, which is now 7.5 percent.

Government conservation planners argue that apart from the enormous social dislocation such an extreme step would cause — not to mention the logistical complications and huge costs — resettlement of the mountain dwellers would merely shift the ecological problem from one area that is being damaged to another that is trying to recover from environmental degradation.

Officials pointed out that some mountain people are already migrating to the Terai in search of better cropland, and they said that the government's efforts would be better directed toward expanding forestation projects.

THIRD ROUND — Sir Percy Cradock, the British ambassador to Beijing, introduced members of the British negotiating team to Yao Guang, the Chinese deputy minister. Tuesday at the start of the third session of talks on the future of Hong Kong, Chinese sources reported that the two nations had set aside the issue of sovereignty and were discussing the technical aspects of the 1997 takeover by China.

Portugal's Soares Dispenses Austerity And Layoffs, Not Socialist Largess

By John Darnton
New York Times Service

LISBON — "It is not very pleasant to govern Portugal at this time," said Mário Soares, the new Socialist prime minister, said a few weeks ago.

For Mr. Soares, a normally ebullient and optimistic man, a sort of Hubert Humphrey of Portuguese politics who actively positioned himself to return to power after he was dismissed as prime minister in 1978, it was something of a *crise de cœur*.

The 58-year-old prime minister emerged the winner in the April 25 election and united his Socialist with the second-place Social Democrats to form a coalition that has the largest parliamentary majority — 176 seats out of 250 — of any of the 14 previous governments in the past nine years. He has, for the first time, the political muscle to push through a program.

But he achieved his political dream at a time when the country is in the midst of an economic crisis. And so instead of presiding over a program of Socialist largess, he finds himself energetically, if not enthusiastically, handing out doses of retrenchment, austerity, price rises and even layoffs.

It is bitter medicine, but it is, what the patient needs. Portugal has been battered by the world's recession. Its balance-of-payments deficit has been steadily mounting and reached \$3.2 billion last year. Its foreign debt is now an unwholesome

some \$13 billion. And its agricultural production has slumped so much that it imports, directly or indirectly, more than half its food.

Things have become so bad that the government has been forced to dip into its large gold reserves, a legacy from the Salazar dictatorship.

Considered something of a symbol of national well-being and independence, the reserves were not touched by earlier governments.

Without an emergency program of tough austerity measures, however unpopular they may be, Portugal was headed for bankruptcy within two years, the prime minister said two weeks ago.

His campaign slogan was "100 measures for 100 days," conjuring up visions of Franklin D. Roosevelt's whirlwind of legislation in the opening days of his administration. The first moves came later than many expected, a result of detailed negotiations with the coalition's junior partner, the Social Democrats, whose leader, César Mota Pinto, became deputy prime minister and defense minister.

Mr. Soares' government did not take office until June 9, and the occasion was marked by a transportation strike called by the Communists, the third-largest political grouping, to show displeasure over some of the concessions Mr. Soares made in the negotiations, especially in the area of labor.

But since taking office, Mr. Soares has moved swiftly and decisively, most observers believe. The

sense of command contrasts sharply to the drift of the previous right-of-center coalition and to the five months of political vacuum that preceded the election.

Things have become so bad that the government has been forced to dip into its large gold reserves, a legacy from the Salazar dictatorship.

To improve exports and gain the confidence of bankers, the government deviated from the ecu against the currencies of its major trading partners. Portugal may only come to be as to offer your gold jewelry for the babies.

The government has removed or lowered subsidies, resulting in large increases, ranging from 25 to 60 percent, in the price of such staples as bread, milk, fish and animal feeds. The price of gasoline, fuel, electricity, postage and telephone service also have gone up.

In the campaign to reduce government spending, the Finance Ministry has imposed a two-month freeze on state investment in the public sector. The government currently is negotiating with the International Monetary Fund for a \$300-million loan.

Most startling of all, the government won parliamentary approval for a law to allow private enterprise to re-enter the banking and insurance fields and the cement and fertilizer industries, all of which were nationalized during the 1974 revolution. Similar measures were voted four times by the military Council of Revolution, dissolved last year under a constitutional revision.

Until Parliament is back in session, Mr. Soares has won a limited right to rule by decree.

'Happy Family': Splendid Cast

By Sheridan Morley
International Herald Tribune

LONDON — Giles Cooper's

"Happy Family" (at the Duke

of York's)

is one of those "lost"

comedies of the English theater

that, like John Whiting's "Penny

for a Song," are much beloved by

actors and directors but have a

habit of dying at the box office. It is

therefore good to report that Maria

Aitken, launching herself simultaneously

on two new careers as director

and producer, has come up with what looks like the first workable

revival, certainly vastly better

than the one by the Denisons in

1967 or the original production at

Hampstead a year earlier.

The problem remains, however,

that Cooper (who was killed open-

ing the wrong train door after a

Dramatists Club dinner in 1966, an

accident as absurd as and consider-

ably more tragic than the one on

lined

INSIGHTS

Reagan's Moves in Central America Make Atlantic Partners Uneasy

By James M. Markham

New York Times Service

BERLIN — Across Western Europe a mood of uneasiness began to take hold last week, a fear that the Reagan administration was moving toward a military confrontation in Central America.

There is not yet a crystallization of alarm or protest — nothing resembling the sustained outcry that accompanied the U.S. intervention in Indochina — but in some West European capitals, officials are worried that a military flare-up in Central America could put new strains on the Atlantic alliance. Gunboat diplomacy that went from bluffing to shooting would likely draw new demonstrators into the streets and bring into sharper focus the lingering issue of the Reagan administration's reliability in managing world affairs.

These anxieties probably run deepest in West Germany, where Chancellor Helmut Kohl's

conservative government is already bracing for a "hot autumn" of protest against the deployment of U.S. medium-range missiles. Mr. Kohl is almost desperately eager for a Soviet-U.S. accord in the Geneva arms talks, which might defuse the planned demonstrations. But a shooting war in Central America would severely undercut the chancellor's uphill defense of Washington as being interested in negotiated, not military, solutions. "The muscle business is not going to be immune from what's happening in Central America," a U.S. diplomat noted.

At a summit last month in Stuttgart, the 10 nations of the European Community took their distance from the Reagan administration by declaring that Central America's problems "cannot be solved by military means, but only by a solution springing from the region and respecting the principles of noninterference and the inviolability of frontiers." This, broadly, holds as an omnibus West European position, but the distance from Washington has grown

since the dispatch of a U.S. flotilla to Central America's Pacific coast. So far, though, most governments have preferred to express their qualms privately to Washington, and not to embarrass President Ronald Reagan at a delicate moment of brinkmanship.

Opposition Critics Are Vocal

While governments bite their tongues, opposition figures have voiced sharp criticisms. A leftist Italian daily, *La Repubblica*, said the Reagan administration "is distractingly slipping into the quagmire of a Vietnam." In West Germany, former Chancellor Willy Brandt, a Social Democrat, declared that war could explode in Central America "within days or weeks" and Karsten Voigt, the party's foreign policy spokesman, called upon the Kohl government to speak out as forthrightly against U.S. interference there as it does against Soviet involvement in Afghanistan and Eastern Europe.

The government rebuffed the Social Demo-

critics' suggestion, but, overall, there is little stomach in West Germany for the use of force to solve problems, as the country's queasy and wavering response to Britain's retaking of the Falkland Islands demonstrated last year. The feelings of Mr. Kohl's Christian Democrats about Latin America are conditioned, too, by their intimate ties to beleaguered sister parties there. The chancellor is personally close to José Napoleón Duarte, the Christian Democratic former president of El Salvador, who was in Bonn earlier this month. To keep pressure on El Salvador's behind-the-scenes military leaders, Bonn is not sending an ambassador back until a firm date for new elections is set.

Reaction elsewhere runs from supportive in Britain, where Prime Minister Margaret Thatcher remembers Washington's critical support over the Falklands, to something closer to suppressed outrage in Spain. In the House of Commons, Mrs. Thatcher defended Mr. Reagan's policies and insisted that the United States was

free to hold military exercises in Latin America without informing its allies. The opposition Labor Party, by contrast, issued an "emergency resolution" that condemned Washington's latest moves as a threat to peace.

France Moderates Position

The British press split along predictable lines, too. "The barrage of criticism descending on President Reagan's head over Nicaragua is undeserved," commented the *Daily Express*, a pro-Conservative, general-circulation tabloid. "He has an appallingly difficult task. If he allows Nicaragua to subvert El Salvador, where will the rot stop? This is America's backyard." But The *Guardian*, a left-of-center daily, took issue with the designation of Henry A. Kissinger, the former secretary of state, to head a bipartisan commission on Central America. "He has always viewed the hungry and despairing as pawns in a global chess game," said The *Guardian*.

France's Socialist government has retreated somewhat from its earlier, militant criticisms of the Reagan administration's Central American policies. In Rio de Janeiro last week, Claude Cheysson, minister for external relations, confined himself to the suggestion that Central America should be "demilitarized." One cause for France's muted position is its own military support for the Chad government of President Hissène Habré, which confronts a Libyan-supported rebellion. Even so, Jacques Huelzinger, the Socialist Party's foreign relations spokesman, condemned the Reagan administration's "destabilization plan" aimed at Nicaragua and said, "One cannot have a different position on Afghanistan and Nicaragua."

Felipe González, Spain's Socialist prime minister, made it clear on a visit to the Contadora nations last month that he considers the United States to be playing a negative role in the region. But his government has refrained from specific criticism of Washington's latest steps.

A Model for United States? Japan's Education Method

(Continued from Page 1) have begun to look so closely at that country's education system.

Since the period just after World War II, the proportion of students going on to high school has soared to nearly 95 percent from less than half. More than 90 percent of Japanese 18-year-olds now graduate from high school, as opposed to 77 percent in the United States.

Nearly two-thirds of all 4-year-olds in Japan attend kindergarten, compared with one-third in the United States. On the other hand, while the number of high school graduates going on to higher education grew to 40 percent from 10 percent between 1955 and 1975, that is still below the U.S. figure of more than 60 percent.

Japanese students spend a third again as many days in school as their peers in the United States, including half a day on Saturday. They consistently score higher than students from other countries in international comparisons. Tests sponsored by the United Nations Educational, Scientific and Cultural Organization in the late 1960s, the most recent major survey of this sort, found that Japanese students outperformed those from every other industrialized democracy in mathematics and science.

The pace of learning in elementary and secondary schools is faster in Japan than in the United States from the earliest grades, even though Japanese pupils must spend a disproportionate amount of time learning the thousands of characters required, say, to read a newspaper. Bruce Vogel, a curriculum specialist at the Teachers College of Columbia University in New York, examined the curriculums of Japanese elementary and junior high schools in mathematics, science and social studies and compared them with those of the New York City public schools. He found that the normal pace of study in Japanese schools was roughly comparable to "the fast track in a good suburban school system in the United States."

He concluded that Japanese students encountered such matters as long division and percentages as much as a year earlier than their typical U.S. counterparts and that the differences became even more pronounced once students reached junior high school. In the United States, he observed, junior high school mathematics is primarily a review of arithmetic, while in Japan it is oriented toward basic algebra and geometry.

"If the Japanese kid is not ahead of his American counterpart by the end of the sixth grade, he certainly will be at the end of the ninth grade," Mr. Vogel concluded. "The curriculum is that much richer."

Students Make Comparisons

Japanese students who have spent time in U.S. schools make similar observations. "We were doing things like the multiplication tables that I had learned in the second grade," commented Nobuko Sakai, a 19-year-old student at Sophia University in Tokyo, who spent her fourth grade year in an American school in Greece.

"The great difference between the U.S. and Japan is that we cram a great many things into small children," she said. "I had much more free time in the American school."

The same pattern continues at the high school level. In the United States, only the most advanced students take calculus, usually in their senior year. Here a basic form of calculus is routinely taught in the junior year even to students who have no intention of going on to college.

In most U.S. universities, students preparing to become teachers are, as a group, less academically able than their counterparts in other fields as measured by such criteria as Scholastic Aptitude Test scores. In Japan, the reverse is true. Competition for teaching jobs is rigorous, and only students with good academic records need apply. In a country where the average worker is paid less than his American counterpart, teachers are paid more.

"Teaching in primary schools and high schools pays well, and it is one of the safest jobs you can get," said Motoharu Saito, a graduate student at Sophia University who is planning a teaching career.

Rigid System

For all of its unquestioned accomplishments, however, the Japanese educational system is plagued with problems, some of them growing out of the means by which it achieves such a high level of success.

Japanese education is organized around a rigid system of examinations for entrance to high school, college and the job market. While this assures a high level of general competence among those who compete successfully, the "examination hell" takes a toll on psychological health, particularly on those who fail.

Moreover, the examinations, and thus the teaching within the schools, are oriented toward their future. Japanese students typically spend more hours than Americans at their studies. This is especially true for ninth graders about to take examinations to determine which high school they will attend and for high school seniors preparing for college entrance exams.

The Japanese school year begins on April 1 and ends the next March. It is divided into three terms with a 40-day summer vacation in July and August and a winter break in late December. This calendar, along with Saturday classes, means that Japanese students are in school 240 days a year, compared with 180 days for students in the United States.

Japanese authorities say that more than half of all students spend more than two hours a day studying after school, compared with fewer than a fourth of students in the United States.

The achievements of the Japanese schools, however, can be explained only partly by the amount of time they consume. Even more relevant is how the time is spent.

Next: Education and Societal Values.

phasis in Japanese schools. "There is no formal policy," said Koko Kawamata, a science teacher at the Tanohata Consolidated Junior High School in northeastern Japan. "But the unspoken agreement is that since we have not been as strong as the West in theoretical things, we must work very hard on our science."

Basic to Success

Any understanding of the achievements of Japanese education must begin with the central role that learning plays, and has played for centuries, in Japanese culture.

"Nothing, in fact, is more central in Japanese society or more basic to Japan's success than is its educational system," wrote Edwin O. Reischauer, the Harvard professor who served as U.S. ambassador to Japan from 1961 to 1966.

What schools a person went to is more important than what he or she learned. "Academic background is everything in Japan," said Miss Sakai, the Sophia University sophomore.

"When you apply for a job, the first thing they want to see is whether you graduated from a good university. Only then do they consider your personal characteristics."

Prestigious government ministries and large companies recruit only from a handful of elite public and private universities. A large proportion of Japanese work all their lives for the same employer, so acceptance at a top university virtually guarantees a good job and economic security.

The most prestigious of all is the University of Tokyo, generally known as Todai, a contraction of Tokyo Daigaku. Mr. Rohlen of Stanford has calculated that although Todai produces only 3 percent of Japan's college graduates, it has accounted for a quarter of the presidents of major corporations and almost all of the top leadership of the Foreign Ministry.

Admission to all the top universities, public or private, is determined entirely by one's score on that particular university's entrance examination. If the son of a farmer gets a higher score than that of the child of the chairman of a large company, the farmer's child will get the place.

The Japanese system of university admissions thus is marked by an intensity and rigidity sharply different from the system prevailing in the United States.

A good score on the Scholastic Aptitude Test is usually important in gaining admission to a top-rank U.S. college. But high school grades are equally important, and admissions committees routinely weigh such other qualifications as artistic achievements, family ties to the institution and athletic ability.

Moreover, the U.S. system offers more roads to success. Graduates of undistinguished colleges often find their way to the executive suite. Late-bloomers who wait until their 20s to get serious about academics often return to school for more education to prepare themselves for new careers.

A Single Route

In Japan, there is a single prescribed route to success. "Kids who aren't into studying at an early age have had it," observed Lou-Anne Weller, an American who recently completed two years of teaching in Japanese schools.

Americans view education as primarily the responsibility of states and local communities. The federal government provides only about 8 percent of total expenses for elementary and secondary education, and most of that goes to such special programs as bilingual education or aid to disadvantaged students, rather than to the core academic enterprise.

In Japan, the Ministry of Education, Science and Culture, known for short as the Mombusho, determines the curriculum that each of the country's 25,000 elementary schools, 11,000 junior high schools and 5,000 senior high schools will follow, and it gives each local board of education an approved list of textbooks from which the board can select the titles it will purchase.

Perhaps most important, the Mombusho plays a central role in the financing of education. In 1980, the Japanese spent \$71 billion altogether on public education from the elementary to the university level. Of this \$65 billion came from public funds, with just over half of that from the national government and the rest from local sources. The Mombusho also controls more than a quarter of the operating expenses of private high schools.

The total expenses represented 8.6 percent of Japan's gross national product; that year, the United States spent 6.8 percent of its GNP on education.

More Hours at Work

With academic credentials so important to their future, Japanese students typically spend more hours than Americans at their studies. This is especially true for ninth graders about to take examinations to determine which high school they will attend and for high school seniors preparing for college entrance exams.

The Japanese school year begins on April 1 and ends the next March. It is divided into three terms with a 40-day summer vacation in July and August and a winter break in late December. This calendar, along with Saturday classes, means that Japanese students are in school 240 days a year, compared with 180 days for students in the United States.

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The achievements of the Japanese schools, however, can be explained only partly by the amount of time they consume. Even more relevant is how the time is spent.

Next: Education and Societal Values.

Who Learns What When

A comparison of the grades at which Japanese and American students learn various subjects.

Double column addition

Japan: first grade
U.S.: second or third grade

Writing paragraphs

Japan: first grade
U.S.: second grade

Multiplication tables (1 through 10)

Japan: third grade
U.S.: fourth grade

Adding and subtracting fractions (with common denominator)

Japan: fourth grade
U.S.: fifth grade

Calculating percentages

Japan: fifth grade
U.S.: sixth or seventh grade

Formal research with footnotes

Japan: not taught
U.S.: eighth or ninth grade

Writing creative essays

Japan: optional
U.S.: ninth grade

Computer use

Japan: not taught
U.S.: ninth grade

Sine and cosine

Japan: 10th grade
U.S.: 12th grade

Basic calculus

Japan: 11th grade
U.S.: 12th grade (advanced students)

The New York Times

Need-to-Believe Theory Is Challenged in Study Of 'Meaning Systems'

By John Dart

Los Angeles Times Service

LOS ANGELES — One of religion's supposed benefits is that it provides a comprehensive world view to give life meaning.

As Christianity and Judaism lose ground in the secular age, some influential sociologists have theorized, other "meaning systems" necessarily will be adopted by people, even if they believe more humanistic than religious.

But that theory, which has been a working assumption for many social scientists studying religious phenomena in this century, is being challenged.

"Perhaps the whole idea that all people have to have integrative meaning systems is erroneous," Reginald W. Bibby, a sociologist, says in the current issue of the *Journal for the Scientific Study of Religion*.

Not Deeply Committed

Writing in the journal about a survey of Canadians' beliefs on a variety of subjects in 1980 and 1981, Mr. Bibby, of the University of Lethbridge in Alberta, found that nearly 60 percent said they were not deeply committed to Christianity or some other religion.

Trying to find the iceberg tip of an alternative meaning system, Mr. Bibby asked questions to identify some possible "cultural themes" through which people might filter their views and give coherence to their lives. He tried feminism, paranormal beliefs, mysticism, "positivism" (a kind of thoroughgoing skepticism) and "familiarism" (views with family values paramount). Of those uncommitted to traditional religions, family-oriented responses were made by 21 percent and other cultural responses got 7 percent.

Mr. Bibby speculated that most people might shape their views through "general biographical goals," such as well-being, affluence and success, rather than interpreting or striving to understand events through a particular meaning system.

Mr. Bibby said that he could not name a psychological theory that says this very thing, but he conceded that "general biographical goals" would seem to be the most logical description of a person's focus on life today, especially regarding the popular emphasis on self-improvement and individual desires in North American society.

Resource Pool

People playing their different roles in life may often find religion or another world view to be one part of a resource pool, just as many people utilize the church or temple for weddings and other rites of passage, Mr. Bibby writes.

"Such a situation helps to explain why Canadians — while not intensely religious — are nonetheless found by the polls to be religiously affiliated, to see themselves as being somewhat religious, and to be positively disposed concerning religious leaders and their influence," he said.

In questioning whether people invariably fashion some religious or humanistic view to guide their thinking, Mr. Bibby and two American sociologists, William Rabbideau and Rodney Stark, have challenged the rather venerable predictions of Emile Durkheim, one of the fathers of scholarly analysis of religion.

Mr. Durkheim, writing at the start of this century, when much of academia was confident about scientific thought supplanting religious views, said that "the old gods are growing old or already dead," but that there was no "reason for

that his own suggested focus of "general biographical goals" for many people was identical to Mr. Luckmann's ideas.

In any case, the question is raised whether purely private goals can constitute a system of meaning or a "religion."

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Herald Tribune
INTERNATIONAL
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BUSINESS PEOPLE

Cave Announces That He Will Retire As Thorn EMI Chairman March 31



Sir Richard Cave

Sir Richard Cave, 63, chairman of Thorn EMI, said Tuesday that he will retire on March 31, 1984.

Thorn EMI, a London-based consumer- and military-electronics company, said Peter Lister, 54, the present managing director, is to be appointed chief executive and chairman-designate, effective Oct. 1. In addition, Sir William Barlow, 59, and H.G. Mowatt, 55, will be appointed vice chairmen from the same date.

Thorn last month surprised the financial community with buoyant results for the year ended March 31. Pre-tax profit jumped 16 percent to £122 million (\$183 million). Boosted by a boom in demand for consumer electronic goods, turnover rose 10 percent to £2.72 billion.

Sir Richard, who became chairman in 1976, said: "I have decided that now is the right time to announce my retirement from the company. Introducing necessary changes in the management methods of the company following the retirement of Sir Thorne, the founder, and carrying through the integration of two companies as large and complex as Thorn and EMI have been major tasks."

Royal Bank Seeks N. America Growth

Royal Bank of Scotland has appointed Stephen Burrows to the new post of executive vice president for North America in a "further step in developing and coordinating our activities in North America," a company spokesman in the Edinburgh head office said.

Mr. Burrows, who is based in New York, will assist with the planning of and play a major role in implementing the bank's development and strategy in North America. He said that North America is among the areas in which "we are keen on developing and expanding."

Royal Bank of Scotland has offices in New York, Chicago, Los Angeles, Houston and San Francisco.

Successor Mr. Burrows as head of the bank's New York branch is James D. Paton, who formerly was senior representative and agent at the bank's San Francisco representative office.

Other Appointments

David G. Oley, formerly deputy managing director, has been appointed managing director of Manufacturers Hanover Export Finance in London. He takes over from Malcolm Davies, who has moved to Manufacturers Hanover's head office in New York to head the bank's world trade group.

Continental Illinois National Bank and Trust of Chicago has appointed James P. Donohue and Drew E. Wailey senior vice presidents. Mr. Donohue is based in London, where he is responsible for multinational banking activities in Europe. Mr. Wailey heads the Africa/Middle East group of international banking services.

Cadbury Schweppes, the London-based confectionery and soft-drink maker, has appointed Hugh R. Colling, group finance director, effective Sept. 1. He succeeds Michael R. Gifford, who, as previously announced, has been named chief group executive of Rank Organization. In addition, Robert A. Headerson, chairman of Kleinwort, Benson, London, will become deputy chairman of Cadbury Schweppes on Jan. 2, following the retirement of Basil E.S. Collins.

Boston Leasing, a London-based subsidiary of First National Bank of Boston, has named Peter Burrows-Smith to the new position of senior leasing officer, responsible for corporate lessor management services. Mr. Burrows-Smith joins the leasing concern from British Leyland, where he was a corporate finance manager.

Chase Manhattan, the London-based merchant banking arm of the U.S. bank, has appointed Linda M. Hanson, a syndication manager. Ms. Hanson, whose appointment is effective Aug. 22, joins Chase Manhattan from Saudi International Bank.

Arab Investment Co. of Riyadh has named Yahya Farag director of projects. He previously served as vice president and executive officer for United Laboratories in the Philippines.

John Alvey has been appointed managing director, development and procurement, and engineer-in-chief on the board of British Telecom. He succeeds John Whittle, who retired.

William F. Paul has been named president and chief operating officer of United Technologies Sikorsky Aircraft division. He moves up from executive vice president of Sikorsky, the world's largest maker of helicopters.

National Advanced Systems (Europe) has appointed Clive Boddington to the new position of European director of product marketing for large systems. NAS, a subsidiary of U.S.-based National Semiconductor, is a supplier of IBM-program-compatible computer systems and software. He joins NAS from IBM U.K.

E.A. Brull, formerly deputy chairman and managing director, has become chairman of British-American Tobacco, following the retirement of C.H. Stewart Lockhart.

— BRENDA HAGERTY

CURRENCY RATES

Interbank exchange rates for Aug. 2, excluding bank service charges									
	U.S.	U.K.	FR.	DM.	Sw.	DK.	SEK.	JPY.	DK.
Australia	2.97	4.692	111.22	37.71	1.0399	5.579	13.94	5.95	7.74
Brasil	52.27	80.5775	20.0025	3.3262	17.9277	24.8977	55.935	—	—
Frankfurt	2.6995	4.6745	—	1.2222	1.685	4.2975	—	—	—
Hong Kong	1.25	—	1.1734	2.2273	0.9054	1.497	—	—	—
Malta	1.2740	2.2010	89.14	194.41	—	329.91	29.554	72.55	144.02
New York	1.5125	1.2055	0.736	0.1949	0.0254	0.3364	0.6477	0.9444	—
Paris	7.9985	12.094	202.88	—	5.002	20.048	152.025	37.035	83.69
Zurich	2.2067	3.2067	80.05	26.72	1.129	71.975	1.205	22.57	—
1 ECU	0.8572	0.6742	2.799	1.803	0.5205	2.549	42.6929	1.8825	4.8719
1 SDR	1.2027	0.6000	2.8043	1.8778	0.5205	2.549	54.0772	2.2577	5.8792

Dollar: (a) Commercial franc (b) Amounts needed to buy one pound (c) Units of 100 (d) Units of 1,000
(e) Not quoted: N.A. not available

INTEREST RATES

Eurocurrency Deposits Aug 2									
United States	Days	Prev.	British	Days	Prev.	French	Days	ECU	SDR
Discount Rate	8.0%	8.0%	Bank Base Rate	7.5%	7.5%	Bank Base Rate	7.5%	7.5%	7.5%
Federal Funds	9.0%	9.0%	Call Money	9.0%	9.0%	Call Money	9.0%	9.0%	9.0%
Prime Rate	10.0%	10.0%	9.0%	10.0%	10.0%	9.0%	10.0%	9.0%	9.0%
Broker Loan Rate	10	10	10	10	10	10	10	10	10
3-month Treasury Bills	9.7	9.7	9.4	9.7	9.7	9.4	9.7	9.7	9.7
6-month Treasury Bills	9.4	9.4	9.1	9.4	9.4	9.1	9.4	9.4	9.4
CD's 30-59 days	9.10	9.10	Call Money	12.5%	12.5%	Call Money	12.5%	12.5%	12.5%
CD's 60-90 days	9.30	9.35	One-month Interbank	12.5%	12.5%	One-month Interbank	12.5%	12.5%	12.5%
West Germany	5	5	2-month Interbank	12.5%	12.5%	3-month Interbank	12.5%	12.5%	12.5%
Lombard Rate	5	5	4-month Interbank	12.5%	12.5%	6-month Interbank	12.5%	12.5%	12.5%
Overnight Rate	5.05	5.05	1-year Interbank	12.5%	12.5%	2-year Interbank	12.5%	12.5%	12.5%
One Month Interbank	5.45	5.45	3-month Interbank	12.5%	12.5%	5-month Interbank	12.5%	12.5%	12.5%
2-month Interbank	5.70	5.65	6-month Interbank	12.5%	12.5%	1-year Interbank	12.5%	12.5%	12.5%
Japan	5.05	5.05	1-year Interbank	12.5%	12.5%	2-year Interbank	12.5%	12.5%	12.5%
Discount Rate	5.04	5.04	Call Money	5.04	5.04	One-month Interbank	5.04	5.04	5.04
Call Money	5.04	5.04	60-day Interbank	5.04	5.04	Official Fixings for London, Paris and Luxembourg, opening and closing prices for Hong Kong and Zurich, N.Y. Hand & Harman, U.S. dollars per ounce.	5.04	5.04	5.04

Key Money Rates

United States	Days	Prev.	British	Days	Prev.
Discount Rate	8.0%	8.0%	Bank Base Rate	7.5%	7.5%
Federal Funds	9.0%	9.0%	Call Money	9.0%	9.0%
Prime Rate	10.0%	10.0%	9.0%	10.0%	10.0%
Broker Loan Rate	10	10	10	10	10
3-month Treasury Bills	9.7	9.7	9.4	9.7	9.7
6-month Treasury Bills	9.4	9.4	9.1	9.4	9.4
CD's 30-59 days	9.10	9.10	Call Money	12.5%	12.5%
CD's 60-90 days	9.30	9.35	One-month Interbank	12.5%	12.5%
West Germany	5	5	2-month Interbank	12.5%	12.5%
Lombard Rate	5	5	4-month Interbank	12.5%	12.5%
Overnight Rate	5.05	5.05	1-year Interbank	12.5%	12.5%
One Month Interbank	5.45	5.45	3-month Interbank	12.5%	12.5%
2-month Interbank	5.70	5.65	6-month Interbank	12.5%	12.5%
Japan	5.05	5.05	1-year Interbank	12.5%	12.5%
Discount Rate	5.04	5.04	Call Money	5.04	5.04
Call Money	5.04	5.04	60-day Interbank	5.04	5.04

Sources: Commerzbank, Bank of Tokyo, Lloyd's Bank.

Commodore Thrives in Home Computers

Cost Curbs Are Key To Big Market Share

By David E. Sanger
New York Times Service

NORRISTOWN, Pennsylvania — For Jack Tramiel, the multimillion-dollar losses of Texas Instruments' home-computer division are sweet revenge.

By most accounts, Texas Instruments nearly drove Mr. Tramiel's company, Commodore International Ltd., into bankruptcy eight years ago. Initially a supplier of computer chips to Commodore for its handheld calculators, TI suddenly decided to make its own calculators — and used its impressive manufacturing capability and its control over component prices to help drive Commodore out of the market.

Tramiel swears he would never again get caught without his own manufacturing ability, said Peter Wright, a computer analyst with the Gartner Group in Stamford, Connecticut. "And he never did."

Now Mr. Tramiel makes his own chips. And Commodore, which several years ago began attracting the attention of Wall Street and computer maven alike for its competitive designs, has diversified beyond small office systems, which it has sold successfully in Europe for more than a decade.

Three years ago, Mr. Tramiel refused the company's efforts, joining the dozens of companies that were rushing to market inexpensive home computers. At first, the competition was heavy and the company made little headway against Warner and TI, the leaders in the market for computers selling for less than \$1,000.

But starting in late 1981, Commodore began to slash its prices and charge ahead with a new machine that proved more powerful than any other computer at the very low end of the market. After the first round of bleeding prices, TI was forced to match Commodore's prices.

There is no question that Tramiel accelerated the whole price war, and with it the decline of TI and Atari," said David S. Lawrence, a senior analyst with Montgomery Securities in San Francisco.

But while most analysts predict that Commodore will stay on top of the heap for at least another year, they question how long the company can maintain the huge volumes — more than 75,000 machines a month, by some estimates — needed to stay profitable at

Commodore International

Weekly N.Y.S

Dow Jones Averages

Open	High	Low	Close	Chg/
12222	12222	11828	11828	+12
1518	1518	1497	1497	+12
1518	1518	1497	1497	+12
1518	1518	1497	1497	+12

Standard & Poors Index	High	Low	Close	Chg/
Composite	143.37	143.37	143.37	+1.25
Industries	143.37	143.37	143.37	+1.25
Utilities	143.37	143.37	143.37	+1.25
Finance	143.37	143.37	143.37	+1.25
Trans.	143.37	143.37	143.37	+1.25

Odd-Lot Trading in N.Y.	Buy	Sales	Short	Chg/
Composite	182,725	154,571	2,568	+1.10
Industries	262,110	234,543	3,023	+1.10
Utilities	271,410	252,244	2,276	+1.10
Finance	244,419	222,672	4,984	+1.05
Trans.	278,020	252,311	12,502	+1.05

^aIncluded in the sales figures.

Market Summary, Aug. 2

Market Diaries

NYSE	AMEX	High	Low	Close	Chg/
12222	12222	11828	11828	11828	+12
1518	1518	1497	1497	1497	+12
1518	1518	1497	1497	1497	+12
1518	1518	1497	1497	1497	+12

Volume

Adv.	Up
12222	12222
1518	1518
1518	1518
1518	1518
1518	1518

Vol. Down

Adv.	Up
12222	12222
1518	1518
1518	1518
1518	1518
1518	1518

Total

Adv.	Up
12222	12222
1518	1518
1518	1518
1518	1518
1518	1518

New Highs

Adv.	Up
12222	12222
1518	1518
1518	1518
1518	1518
1518	1518

New Lows

Adv.	Up
12222	12222
1518	1518
1518	1518
1518	1518
1518	1518

Trans.

Adv.	Up
12222	12222
1518	1518
1518	1518
1518	1518
1518	1518

Total

Adv.	Up
12222	12222
1518	1518
1518	1518
1518	1518
1518	1518

New Highs

Adv.	Up
12222	12222
1518	1518
1518	1518
1518	1518
1518	1518

New Lows

Adv.	Up
12222	12222
1518	1518
1518	1518
1518	1518
1518	1518

Trans.

Adv.	Up
12222	12222
1518	1518
1518	1518
1518	1518
1518	1518

Total

Adv.	Up
12222	12222
1518	1518
1518	1518
1518	1518
1518	1518

New Highs

Adv.	Up
12222	12222
1518	1518
1518	1518
1518	1518
1518	1518

New Lows

Adv.	Up
12222	12222
1518	1518
1518	1518
1518	1518
1518	1518

Trans.

Adv.	Up
</tbl

EBOT Plans Trading on 2 Stock Indexes

BUSINESS BRIEFS

Bank of New York Seeks to Acquire Northeast Bancorp in Connecticut

NEW YORK (AP) — Bank of New York, the 18th largest in the United States, Tuesday announced plans to acquire Northeast Bancorp Inc. of New Haven, Connecticut, pending legislative approval, in the first formal form of a New York bank into the lucrative south New England market.

A spokesman said the merger agreement is pending a change in legislation by either Connecticut or the federal government. Interstate banking is prohibited by federal law except where reciprocity laws specifically exist.

Northeast Bancorp operates Union Trust Co., one of Connecticut's largest banks, with 60 branches mainly in wealthy Fairfield County, which adjoins New York State and from where thousands commute every day to New York City.

Bankers Trust said it purchased warrants to buy 18.5 percent of Northeast's stock, 625,000 shares, worth about \$30 million based on its over-the-counter price, shortly after the merger announcement was made. Bank of New York has assets of \$12.8 billion. Northeast's assets are \$1.5 billion.

Profit Rumors Spur Volvo Shares

STOCKHOLM (Reuters) — Volvo shares rose on the Stockholm bourse amid market expectations that first-half results, due Aug. 31, will show the same profit as for the whole of 1982, share analysts said.

Some analysts expect Volvo to show a full 1983 profit of \$5 billion krona (\$309 million) against 2.4 billion last year, but others cautioned that the increase might not be as high as rumored.

EC Puts Dumping Levy on 4 Nations

BRUSSELS (AP) — The European Community Tuesday imposed antidumping duties on imports of steel and iron coils from Argentina, Brazil, Canada and Venezuela.

At the same time, the EC began an investigation into imports of unroasted aluminum from Norway and Sweden which it suspects are being dumped on EC markets. The duty on steel and iron coils amounts to 29 European Currency Units (\$24.90) per metric ton on imports from Argentina, 64 ECUs from Brazil, 81 ECUs from Canada and 83 ECUs from Venezuela.

British Manufacturers Optimistic

LONDON (UPI) — The Confederation of British Industry said Tuesday that manufacturers' optimism about the general business situation in Britain is still improving, although there is less optimism about export prospects.

Replies from 1,646 firms to the quarterly Industrial Trends Survey showed that demand and output have risen for the second quarter survey in succession and further rises are expected in the next four months.

China Revises Oil Exploration Rules

BEIJING (Reuters) — Chinese equipment and labor must be used for oil exploration and development in the South China Sea, according to Chen Lizhong, general manager of the Nansha Joint General Petroleum Service Corp., Guangzhou.

Oil industry sources said the announcement seems to contradict last year's regulations on joint exploitation of China's offshore oil.

Mr. Chen did not say whether the policy affected the various joint venture agreements now being signed.

Esmark Arranges Acquisition Credit

CHICAGO (Reuters) — Esmark has arranged a \$1.2 billion credit facility with nine banks which will be used to finance its \$1.05 billion acquisition of Norton Simon Inc., according to the company's chairman, Donald Kelly.

Mr. Kelly said about 22.2 million shares, or 89.4 percent of Norton Simon, will be purchased for \$35.50 a share in cash. The remainder, about 2.5 million shares, will be acquired in an exchange of new preferred stock.

The acquisition of Norton Simon is expected to be completed on Aug. 25. On the same day, Mr. Kelly said, Esmark will report a reasonable increase in earnings for the third quarter, compared with the year-earlier income of \$20.8 million.

Commodore Stands Out in Home-Computer Market

(Continued from Page 7)
Edg. Julianen, the head of Future Computing Inc., a management-consulting group for computer manufacturers. "But they have also been lucky."

Just how much was skill and how much was luck is a topic of much debate within the industry. But an increasing number of experts agree on one point: While Atari and Texas Instruments thought that consumers would be intimidated by the concept of bringing the power of the modern microcomputer into their homes, Commodore was not so sanguine. The company guessed, correctly, that the public would quickly tire of machines without the power to do more than play games and teach basic programming techniques.

So while Texas Instruments and Atari tinkered with variations of machines designed in 1977 and 1978, Commodore used its chip-manufacturing facilities to market more powerful, economical computers, designed in 1980 and 1982.

And to grab a bigger share of the market from his better-known competitors, Mr. Tramiel did not hesitate to price his computers below standard manufacturing cost.

Moreover, he continued to cut prices when volume picked up and the cost of manufacturing each unit declined.

TI and Atari, which designed their machines without the same cost-saving strategies, could not keep up. Soon they found themselves selling their own machines below their own manufacturing costs.

For the crafty maneuvering, analysts credit Mr. Tramiel, a concentration camp survivor who is described by friends and enemies as a brilliant strategist and autocratic chief executive. The home-computer industry is littered with former Commodore executives who left the company after doing battle with Mr. Tramiel's office said he was in the Far East and could not be reached for comment.

Industry experts say they are more impressed with Mr. Tramiel's strategy than with his products. "In terms of quality of design or reliability, they have no advantage," notes Mr. Julianen.

So, for example, in an industry where the most successful machines have usually been accompanied by a wide range of sophisticated software, or computer programs, comparatively few are available for Commodore's. And programs designed for the VIC-20, which Commodore is phasing out, cannot run on replacement, a more sophisticated machine that has 64,000 bytes, or characters, of memory capacity.

"They are basically low-rent people," says Esther Dyson, president of Rosen Research, which publishes an industry newsletter. But the company is not without the capacity for technological innovation.

Mr. Wright notes that after Commodore purchased MOS Technology, a semiconductor manufacturer, in 1978, it was "free to take chances on more microchip designs. They did not have to guard against an outside company that they would buy a few hundred thousand units," reducing their ability to change designs if an early one did not work.

Last month the company entered the first venture in Japan to produce its own disk drives, in what analysts said was a continuation of the same strategy.

Commodore marketed its first inexpensive home computer, the VIC-20 in 1981. While the machine had fairly little memory capacity, it initially sold only \$200. And it was powered by a microprocessor that Commodore makes in high volume — and has sold to other computer companies, including Apple Computer Co. and Atari.

Atari still buys its microprocessors from outside vendors. And while Texas Instruments equips its home computer with a 16 microprocessor, the device has proven inefficient and unpopular with other

manufacturers. Unable to produce the processor in large volume, TI finds itself strapped with substantially higher manufacturing costs.

"TI and Atari created this market," notes Mr. Julianen. "It is not unusual that they have a few arrows in their backs."

Mr. Tramiel shot an additional arrow of his own last October, turning his attentions away from the VIC-20, whose price had dropped to below \$100, and rushed forward with the Commodore 64, the first computer at its price — now about \$200 — to offer enough memory capacity to make possible some advanced uses, such as word processing and financial analysis.

By transferring VIC-20 purchases to the more expensive Commodore 64, the company has increased

its profit margins. And by moving the computer to the mass market in January, tied to a national advertising campaign, it assured high volumes.

Most analysts seem satisfied that the Commodore 64 has another 12 to 18 months left, and Mr. Greenberg said that "more bells and whistles will be added." But some express doubts about future products. While the company has shown some new wares at trade shows, they have announced none of them.

"I don't think Tramiel has anything in the pipeline," said Chuck Peddle, one of the chief engineers of the VIC-20 who left Commodore after a dispute with Mr. Tramiel and who now heads Victor Technologies. "But there is no question he has a charmed year ahead of him."

EBOT Plans Trading on 2 Stock Indexes

Bank of New York Seeks to Acquire Northeast Bancorp in Connecticut

NEW YORK (AP) — Bank of New York, the 18th largest in the United States, Tuesday announced plans to acquire Northeast Bancorp Inc. of New Haven, Connecticut, pending legislative approval, in the first formal form of a New York bank into the lucrative south New England market.

A spokesman said the merger agreement is pending a change in legislation by either Connecticut or the federal government. Interstate banking is prohibited by federal law except where reciprocity laws specifically exist.

Northeast Bancorp operates Union Trust Co., one of Connecticut's largest banks, with 60 branches mainly in wealthy Fairfield County, which adjoins New York State and from where thousands commute every day to New York City.

Bankers Trust said it purchased warrants to buy 18.5 percent of Northeast's stock, 625,000 shares, worth about \$30 million based on its over-the-counter price, shortly after the merger announcement was made. Bank of New York has assets of \$12.8 billion. Northeast's assets are \$1.5 billion.

Profit Rumors Spur Volvo Shares

STOCKHOLM (Reuters) — Volvo shares rose on the Stockholm bourse amid market expectations that first-half results, due Aug. 31, will show the same profit as for the whole of 1982, share analysts said.

Some analysts expect Volvo to show a full 1983 profit of \$5 billion krona (\$309 million) against 2.4 billion last year, but others cautioned that the increase might not be as high as rumored.

EC Puts Dumping Levy on 4 Nations

BRUSSELS (AP) — The European Community Tuesday imposed antidumping duties on imports of steel and iron coils from Argentina, Brazil, Canada and Venezuela.

At the same time, the EC began an investigation into imports of unroasted aluminum from Norway and Sweden which it suspects are being dumped on EC markets. The duty on steel and iron coils amounts to 29 European Currency Units (\$24.90) per metric ton on imports from Argentina, 64 ECUs from Brazil, 81 ECUs from Canada and 83 ECUs from Venezuela.

British Manufacturers Optimistic

LONDON (UPI) — The Confederation of British Industry said Tuesday that manufacturers' optimism about the general business situation in Britain is still improving, although there is less optimism about export prospects.

Replies from 1,646 firms to the quarterly Industrial Trends Survey showed that demand and output have risen for the second quarter survey in succession and further rises are expected in the next four months.

China Revises Oil Exploration Rules

BEIJING (Reuters) — Chinese equipment and labor must be used for oil exploration and development in the South China Sea, according to Chen Lizhong, general manager of the Nansha Joint General Petroleum Service Corp., Guangzhou.

Oil industry sources said the announcement seems to contradict last year's regulations on joint exploitation of China's offshore oil.

Mr. Chen did not say whether the policy affected the various joint venture agreements now being signed.

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International Herald Tribune
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This announcement appears as a matter of record only.

2nd August, 1983



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(Yamaichi Shokan Kabushiki Kaisha)

U.S.\$50,000,000

5% Convertible Bonds due 1998

Yamaichi International (Europe) Limited

Credit Suisse First Boston Limited

Kleinwort, Benson Limited

IBJ International Limited

Algemene Bank Nederland N.V.

Amro International Limited

Bank Mees & Hoop NV

Bank of Tokyo International Limited

Banque Indosuez

Banque Nationale de Paris

Banque Paribas

Banque de l'Union Européenne

Baring Brothers & Co., Limited

Boyerische Vereinsbank Aktiengesellschaft

Berliner Handels- und Frankfurter Bank

Chemical Bank International Group

Citicorp Capital Markets Group

Commerzbank Aktiengesellschaft

County Bank Limited

Crédit Lyonnais

Daiwa Europe Limited

Deutsche Genossenschaftsbank

Dresdner Bank Aktiengesellschaft

Robert Fleming & Co. Limited

Fuji International Finance Limited

Goldman Sachs International Corp.

Hill Samuel & Co. Limited

The Hongkong Bank Group

Kreditbank International Group

Merrill Lynch International & Co.

Mitsubishi Bank (Europe) S.A.

Samuel Montagu & Co. Limited

Morgan Grenfell & Co. Limited

Morgan Guaranty Ltd.

Morgan Stanley International

The Nikko Securities Co. (Europe) Ltd.

Nomura International Limited

Pierson, Heldring & Pierson N.V.

Salomon Brothers International

Swiss Bank Corporation International Limited

J. Henry Schroder Wagg & Co. Limited

Smith Barney, Harris Upham & Co.

Swiss Bank Corporation International Limited

Société Générale

Swiss Bank Corporation International Limited

S.G. Warburg & Co. Ltd.

Union Bank of Switzerland (Securities) Limited

Westdeutsche Landesbank Girozentrale

Commerzbank (South East Asia) Ltd.

New Issue

This announcement appears as a matter of record only.

August 3, 1983



The Long-Term Credit Bank of Japan Finance N.V.

Willemstad, Curaçao, Netherlands Antilles

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Tuesday's NYSE Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

(Continued from Page 8)

12 Month	High	Low	Stock Div.	Yld.	P/E	1982	High	Low	Quot.	Close
2118 69 RBlind	15	12	104	226	226	204	15	12	104	15
2118 145 RICA	125	123	17	18	15	125	125	123	17	18
2118 146 RICOH	125	123	17	18	15	125	125	123	17	18
2118 147 RICOH	125	123	17	18	15	125	125	123	17	18
2118 148 RICOH	125	123	17	18	15	125	125	123	17	18
2118 149 RICOH	125	123	17	18	15	125	125	123	17	18
2118 150 RICOH	125	123	17	18	15	125	125	123	17	18
2118 151 RICOH	125	123	17	18	15	125	125	123	17	18
2118 152 RICOH	125	123	17	18	15	125	125	123	17	18
2118 153 RICOH	125	123	17	18	15	125	125	123	17	18
2118 154 RICOH	125	123	17	18	15	125	125	123	17	18
2118 155 RICOH	125	123	17	18	15	125	125	123	17	18
2118 156 RICOH	125	123	17	18	15	125	125	123	17	18
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2118 219 RICOH	125	123	17	18	15	125	125	123	17</td	

SPORTS

Coe, Ill., Will Miss World Track Meet

Compiled by Our Staff From Dispatches

LEICESTER, England — Sebastian Coe, Britain's middle distance running star, entered a hospital here Tuesday to undergo tests for a glandular condition. Beaten four times in recent weeks, Coe Monday night pulled out of next week's World Track and Field Championships in Helsinki.

Said a spokesman at Groby Road Hospital: "Sebastian Coe will be having investigations for a glandular condition. He is expected to be in hospital for a couple of days."

Coe "had been told by a medical specialist in infectious diseases that he must stop all exercise until he had full hospital tests," said John Le Meurier of the British Amateur Athletic Board.

"Seb has a lymph gland infection similar to the glandular fever which caused his withdrawal from the European Championships in Athens last year."

Coe, 26, has suffered four defeats in a few weeks, including a loss to American Steve Scott in the miles at London's Crystal Palace Friday night and to fellow Briton Steve Cram in the 800 meters — at Gateshead on Sunday.

The Helsinki entries officially closed Thursday, and the British bid was turned down Tuesday when it asked the organizers whether Steve Ovett, entered in the 1,500, could replace Coe in the 800. Ovett has been named to run in the 1,500, along with Cram and Graham Williamson. Coe, Peter Elliott and Garry Cook were selected for the 800.

Solly Diamond: A Gem in the Rough and Out of It

By Ira Berkow

New York Times Service

NEW YORK — Solly Diamond went through life at his own pace and with his own wisdom. Once, for example, he sized up a particular person this way: "If you put his brain in a canary he would fly backwards."

Solly Diamond came to certain convictions: "Money isn't everything," he once said. "Health is 5 percent."

Nor was he a sentimentalist: "My grandfather in Russia used to go out with a rope and come back with a horse."

Solly Diamond's name came up recently in regard to the shot hole Irwin missed in the British Open last month. It was a 3-inch putt that Irwin thought he'd somehow tap in backhanded. He missed the ball.

That one stroke was the difference between Tom Watson's winning the Open and Irwin's finishing second. With the PGA Championship in Los Angeles beginning Thursday, Irwin could probably profit from advice by Solly Diamond, who, despite being dead for the last several years, still lives in memory.

"If you look back," Solly said, "you die of remorse."

And perhaps of somewhat less consolation for Irwin, he noted: "Just remember, every shot makes someone happy."

Solly was an avid amateur golfer. Amateur in a fashion. Golf was no game for him unless it was played for money, not prize money like the professionals but side bets, and of an inventive nature. And his club brimmed with people like him.**So played at I am O'Stander County Club, just outside of Chicago. It was the sight of one of the most famous golf shots in history. Lew Worsham sank a 130-yard wedge shot for an eagle on the final hole to win the 1953 World Championship of Golf by one stroke.****A paring shot by Solly, though, is recalled for being as remarkable in its way as Worsham's. At least it caused quite a stir.****Solly was a baldish, stocky man who favored a cap and knickerbockers when he was on the course. "Solly loved golf because it gave him a creative outlet," summarized his son, Terry Diamond, an investment broker in Chicago, "and sometimes added generously to his wallet. And sometimes took away from it."****"You have to remember that Solly left school when he was 9 years old to make his way in the world. He used to ride the rails. He went all over the country except Florida. The only way to get there was through Georgia, and if they caught you on a freight train in Georgia they'd throw you on a chain gang."****"Then this short man who looked like a jockey came by and he and Solly whispered to each other. People watched. Soon people began paying my father for tips."****"Not long after, Solly's partner happened to pick nine winners in one day. And he said, 'I'm not going to give those suckers winners.'****"End of business. The guy believed his son's lies."****Solly would return to Chicago, do his way into the linen business, and do well that he could eventually spend considerable time on the golf course. He couldn't hit long, but he developed a "commercial swing," as it was known at the club. His shots were invariably straight down the fairway. And his short game was superb.****"So no Florida. Solly went to Hollywood and was an extra in the old Tom Mix westerns. Sometimes he played a cowboy and sometimes an Indian, and sometimes both."****When Solly was a young man he stopped in Louisville, Kentucky, and met a short man who suggested a business deal that appealed to Solly. "He said to the race track," said his son, "and Solly picked up the losing tickets for the first two races and ran through the stands shouting 'I won, I won.' He did it again after the third race. People began to gather round him."****"Then this short man who looked like a jockey came by and he and Solly whispered to each other. People watched. Soon people began paying my father for tips."****"Not long after, Solly's partner happened to pick nine winners in one day. And he said, 'I'm not going to give those suckers winners.'****"End of business. 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